



Senate

General Assembly

File No. 603

January Session, 2009

Substitute Senate Bill No. 997

Senate, April 9, 2009

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING A MUNICIPAL OPTION TO DELAY REVALUATIONS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective July 1, 2009, and applicable to assessment*
- 2 *years commencing on or after October 1, 2008*) (a) (1) Notwithstanding any
- 3 provision of the general statutes, any municipal charter, any special act
- 4 or any home rule ordinance, any municipality required to effect a
- 5 revaluation of real property under section 12-62 of the general statutes
- 6 for the 2008, 2009 or 2010 assessment year shall not be required to
- 7 effect a revaluation prior to the 2011 assessment year, provided any
- 8 decision not to implement a revaluation pursuant to this subsection is
- 9 approved by the legislative body of such municipality. The rate maker,
- 10 as defined in section 12-131 of the general statutes, in any municipality
- 11 that elects, pursuant to this subsection, not to implement a revaluation
- 12 may prepare new rate bills under the provisions of chapter 204 of the
- 13 general statutes in order to carry out the provisions of this subsection.

14 (2) Any required revaluation subsequent to any delayed revaluation
15 effected pursuant to subdivision (c) of this subsection shall be effected
16 in accordance with the provisions of section 12-62 of the general
17 statutes. Such subsequent revaluation shall re-commence at the point
18 in the schedule required pursuant to section 12-62 of the general
19 statutes that the municipality was following prior to such delay.

20 (b) (1) Notwithstanding any provision of the general statutes, any
21 municipal charter, any special act or any home rule ordinance, any
22 municipality that is currently in the process of phasing in a real
23 property assessment increase, or a portion of such increase, may
24 suspend such phase-in for a period of time, but not later than the 2011
25 assessment year, provided any decision to suspend a phase-in
26 pursuant to this subsection is approved by the legislative body of such
27 municipality. The rate maker, as defined in section 12-131 of the
28 general statutes, in any municipality that elects, pursuant to this
29 subsection, to suspend a phase-in may prepare new rate bills under the
30 provisions of chapter 204 of the general statutes in order to carry out
31 the provisions of this subsection.

32 (2) Any required phase-in of a real property assessment increase
33 subsequent to any suspension of such phase-in pursuant to this
34 subsection shall recommence at the point at which such phase-in was
35 suspended.

36 (c) The assessor or board of assessors of any municipality that elects,
37 pursuant to subsection (a) of this section, not to implement a
38 revaluation of real property for the 2008 assessment year or, pursuant
39 to subsection (b) of this section, to suspend a phase-in of an assessment
40 increase for the 2008 assessment year, shall prepare a revised grand list
41 for said assessment year, which shall reflect the assessments of real
42 estate according to the grand list in effect for the assessment year
43 commencing October 1, 2007, subject only to transfers of ownership,
44 additions for new construction and reductions for demolitions. Such
45 assessor shall send notice of any increase in the valuation of real estate
46 over the valuation of such real estate as of October 1, 2007, or notice of

47 the valuation of any real estate that is on the grand list to be effective
48 for the October 1, 2008, assessment year, but was not on such list in the
49 prior assessment year, to the last-known address of the person whose
50 valuation is so affected, and such person shall have the right to appeal
51 such increase or valuation during the next regular session of the board
52 of assessment appeals at which real estate appeals may be heard.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2009, and applicable to assessment years commencing on or after October 1, 2008</i>	New section

FIN *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 10 \$	FY 11 \$
Various Municipalities	Cost Avoidance	See Below	See Below

Explanation

Municipalities electing to postpone their revaluation or their scheduled phase-in will defer changes to the town's grand list that occur as a result of revaluation.

The bill will also delay costs associated with conducting property revaluation for towns currently scheduled to carry out a revaluation for the 2009 or 2010 assessment year. The average cost to a town to conduct a revaluation is approximately \$35 to \$40 per parcel but can range from \$25 to \$60 per parcel depending on the scope of the project and the number of parcels. However, if a significant number of towns elect to postpone their revaluation until 2011 this could result in higher per parcel costs due to a limited number of revaluation companies providing data and revaluation services to municipalities.

The Out Years

None

OLR Bill Analysis**sSB 997*****AN ACT CONCERNING A MUNICIPAL OPTION TO DELAY REVALUATIONS.*****SUMMARY:**

This bill allows municipalities that, under current law, revalued or must revalue real property in the 2008, 2009, or 2010 assessment year to delay revaluation to the 2011 assessment year (see BACKGROUND). It also allows towns phasing in assessment increases from earlier revaluations and scheduled to implement a phase-in step for the 2008 assessment year to suspend the phase-ins for up to two years until 2011.

Before a town may implement either type of delay, it must be approved by the municipality's legislative body. The existing statutory five-year revaluation or phase-in schedule for any town that adopts a two-year delay must resume after the delay at the point where the delay started.

EFFECTIVE DATE: July 1, 2009 and applicable to assessment years starting on or after October 1, 2008.

2008 GRAND LIST

The bill requires the assessor or board of assessors in a municipality that delays a revaluation or suspends a phase-in for the 2008 assessment year to prepare a revised grand list for 2008 that reflect the assessments for the 2007 assessment year, subject only to changes in ownership, new construction, and demolitions. The assessor must send to the affected person's last-known address, notice of (1) any increase in the valuation of real estate over its 2007 valuation or (2) for new real estate, of the valuation that will appear on the 2008 grand list. The person can appeal the increase during the next regular session of the

board of assessment appeals at which appeals may be heard.

The bill allows the person or entity authorized by law to prepare rate bills in a municipality that has delayed a revaluation or a revaluation phase-in under the bill to prepare new rate bills, notwithstanding any law or municipal charter to the contrary.

BACKGROUND

Implementing Revaluation

The law requires municipalities to tax property based on its fair market value as of October 1 annually. Municipalities begin taxing property based on those values during the fiscal year starting the following July 1. Thus, towns that revalued their property in the 2008 assessment year must implement the revaluation starting July 1, 2009.

Related Bill

SB 388 (File 412), reported favorably by the Planning and Development Committee, allows municipalities to delay revaluation completed on October 1, 2008 or a phase-in of an earlier revaluation for one year, with the approval of their legislative bodies or, in town meeting towns, the board of selectmen. The requirements for implementing the delays are similar to those in this bill.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 49 Nay 4 (03/24/2009)